



Economic Statement

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Contents

1	Introduction	1
2	Proposed Development	1
3	Policy Context.....	2
4	Economic Impact Assessment.....	2
5	Conclusion	5

1 Introduction

1.1 Crossman (Portland Street) Ltd, part of the Crossman Group of Companies, has acquired Christchurch Hall in Clifton (the property) and is seeking planning permission and listed building consent for a change of use of the property into residential and office accommodation, with associated internal and external alterations to the building.

1.2 The description of development is:

'Change of use of existing building to 9 flats, office and associated alterations to the building'.

1.3 The purpose of this statement is to demonstrate the economic benefits that would result from the development.

2 Proposed Development

2.1 The development proposal seek to redesign the existing internal layout of the building to accommodate a circa 240m² dual level office space over ground and basement level. A total of nine apartments comprising a mix of 1 bed, 2 bed and 3 bed duplexes are proposed on levels one to four of the building as shown on the plans enclosed with the planning and listed building applications. The proposed floorspace is detailed in the table below:

Level	Type	Area
B1	OFFICE	97 SQM
00	OFFICE	140 SQM
01	1 BED 2 PERSON	55 SQM
	2 BED 4 PERSON	66 SQM
	2 BED 4 PERSON	73 SQM
02	1 BED 2 PERSON	54 SQM
	2 BED 4 PERSON	71 SQM
	2 BED 4 PERSON	77SQM
03 - 04	3 BED 6 PERSON DUPLEX	141 SQM
	3 BED 6 PERSON DUPLEX	137 SQM
	3 BED 6 PERSON DUPLEX	118 SQM

Table 1: accommodation schedule.

Office Space Provision

- 2.2 The applicant, will occupy part of the office space provision in the basement and ground floor levels of the building with the remaining office space being made available as an office hub for the benefit of the wider community including those individuals working from home in the locality who, on occasion, require a more formal setting.

3 Policy Context

- 3.1 Those components of the development plan relevant to the application comprise of the following development plan documents:

- Bristol Core Strategy (June 2011); and
- Site Allocations and Development Management Policies Local Plan (July 2014).

- 3.2 Core Strategy Policy BCS8 aims to deliver new premises for employment across the city to support its continuing economic growth and competitiveness. Furthermore, the Council state that new employment floor space suitable for smaller businesses will be encouraged as part of mixed-use development.

- 3.3 The Core Strategy states that employment sites, premises and floorspace outside the city's Principal Industrial and Warehousing Areas will be retained where they make a valuable contribution to the economy and employment opportunities. Retaining these sites helps to provide employment and business opportunities close to where people live which reduces the need to travel, especially by car.

4 Economic Impact Assessment

- 4.1 The economic impact assessment determines the anticipated number of full-time equivalent jobs (both direct and indirect) generated by the development and also the associated gross value (GVA). The objective of this exercise is to calculate the extent any economic gain is additional to the study area. The method used to determine economic benefits is consistent with HM Treasury Green Book Guidance which states that the output or employment benefits in a given target area should be assessed in terms of 'additionality'. Regard has also been had to the Homes and Communities Agency (HCA) Additionality Guide (Fourth Edition) which establishes the principles for addressing additionality in economic assessments.

4.2 To establish the economic benefits resulting from the development, this assessment has focussed on the following area:

- Operational jobs for construction and operational phase of the development (full time equivalent (FTE)).
- Direct gross value added (GVA).

Full Time Equivalent Jobs to be provided during the Construction Phase

4.3 The total approximate floor area to be provided across all levels of the building will be circa 11,076 ft². Of this figure, approximately 2,583 ft² would comprise office accommodation across the basement and ground floor. The remaining floorspace would accommodate the 9 no. flats on floors 1 to 4 of the building (based on exceeding nationally prescribed space standards). The build costs would be approximately £120 per ft², with a total anticipated project spend of circa £1,329,120. Assuming that the proportion of the anticipated construction cost for labour is 30%, then by dividing the average gross pay per employee in the construction industry¹ (circa £30,000 including overheads), an estimation on the number of full time employed individuals can be determined. In this instance it is estimated that 13 full time jobs would be created over the one year build/refurbishment programme.

4.4 It should be noted that this methodology only accounts for outputs coming directly from the proposed development and assumes that the construction/trade industry workers employed on-site will not cause or be sourced from reductions elsewhere in the labour market (i.e. displacement); nor does the methodology take account of the proportion of outcomes that would have been secured anyway without the development (i.e. deadweight). As such, it is assumed that the majority of construction workers will come from the 'slack' stock within the industry, particularly at the local level.

Office Accommodation / Employment provision available when development is operational.

4.5 According to the Employment Densities Guide (2010)², the actual employment density of serviced office property is around 10m² per full time employee. So on the basis of a proposed

¹ ONS (2018), 'EARN02: Average Weekly Earnings by sector'
<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitoc2010ashetable14> [08/02/18]

² [Employment Densities Guide \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/344442/employment-densities-guide-2010.pdf)

floorspace of 240m² for the office accommodation on the ground floor and basement, the proposed development will be able to accommodate approximately 24 office staff. This figure also includes those members of the community working from home in the locality and wish to “hot desk”.

Gross Value Added (GVA)

4.6 By interrogating data from the ONS Annual Business Survey 2017 (ABS), combined with ONS data on economically active people³ an average turnover per construction worker in the South West region stands at circa £87,000. Further, it can also be calculated from the ABS that GVA in the ‘Construction’ category averages 39% of turnover in the South West. Therefore, the regional construction industry generates an average GVA of £33,930 per person employed in construction per year.

4.7 By multiplying this average GVA by the net additional employment (13 in one year), it can be estimated that the scheme will deliver approximately an additional £441,090 of direct GVA over the refurbishment/build period, although not all of this would be retained locally.

Local Spending

4.8 The proposed development will make an important contribution towards Bristol by providing housing and a new residential population of approximately 38 persons. Not all of the new residents may be from outside the local area, but some will, and therefore these individuals will facilitate additional spending in the local area.

4.9 According to ONS data⁴, the average weekly expenditure per person totals £251.60. This would equate to an average weekly spend of £9,560 generated by the proposed development, or £458,880 over the course of a year. This figure should be treated with some caution, given that not all of the residents will be arrivals from outside of the local area, and not all of the spend will be retained locally. Nevertheless, even if this local spending achieved was as low as 10% of the maximum available, this would still equate to a spend of circa £45,888.

³ Workforce jobs by industry section (SIC 2007) – seasonally adjusted (March 2019).

⁴ ONS: Household expenditure by countries and regions

- 4.10 Furthermore, the proposed office staff/employment that will be generated by the commercial element of the proposed development will contribute to 'local spending' which in turn will contribute to the local economic multiplier effect.

5 Conclusion

- 5.1 It has been demonstrated that there are significant economic benefits associated with the proposed development. It would generate a total of 13 jobs during the construction phase and then once operational the proposed office accommodation will be able to accommodate 24 permanent office staff. Finally, the scheme would result in circa £441,090 GVA and would generate additional local spending.
- 5.2 These economic benefits are considered significant and would undoubtedly contribute to the improved economic performance of Bristol and Clifton itself.